

AMENDED IN ASSEMBLY JULY 16, 2007

AMENDED IN ASSEMBLY JULY 5, 2007

AMENDED IN SENATE JUNE 4, 2007

AMENDED IN SENATE APRIL 10, 2007

SENATE BILL

No. 46

Introduced by Senator Perata

December 22, 2006

An act to add Sections 53545.12 and 53545.14 to the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 46, as amended, Perata. Housing and Emergency Shelter Trust Fund Act of 2006: Regional Planning, Housing, and Infill Incentive Account.

The Housing and Emergency Shelter Trust Fund Act of 2006 authorizes the issuance of bonds in the amount of \$2,850,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds are required to be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks. The act establishes the Housing and Emergency Shelter Trust Fund of 2006 in the State Treasury, requires the sum of \$850,000,000 to be deposited in the Regional Planning, Housing, and Infill Incentive Account, which the act establishes in the fund, and makes the money in the account available, upon appropriation, for infill incentive grants for capital outlay related to infill housing development and other related infill development, and for brownfield cleanup that promotes infill housing development and other related infill development

consistent with regional and local plans, subject to the conditions and criteria that the Legislature may provide in statute.

This bill would establish the Infill Incentive Grant Program of 2007, to require the Department of Housing and Community Development, upon appropriation by the Legislature of the funds in the Regional Planning, Housing, and Infill Incentive Account for certain purposes, to establish and administer a competitive grant program to allocate those funds to selected qualifying infill projects, as defined, for capital outlay related to infill housing development and related infill infrastructure needs.

The bill would require the California Pollution Control Financing Authority, upon appropriation by the Legislature of the funds in the Regional Planning, Housing, and Infill Incentive Account for certain additional purposes, to allocate those funds to selected infill projects for the purposes of assessment, remedial planning and reporting, technical assistance, cleanup or remediation of brownfield sites, or related costs.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature that
2 appropriations for the expenditure of funds deposited in the
3 Regional Planning, Housing, and Infill Incentive Account
4 established under subdivision (b) of Section 53545 of the Health
5 and Safety Code be made to achieve the following policy
6 objectives:

7 (a) To encourage the development of high density infill housing
8 and mixed-use development for all levels of income and locations
9 near job centers and transit stations, thereby reducing vehicle trips,
10 commute times, vehicle miles traveled, and vehicle emissions.

11 (b) To invest in established, urban neighborhoods by producing
12 new housing and improving related neighborhood infrastructure,
13 such as city streets, parks, and sewer and utility hookups, cleaning
14 up brownfield sites, and furthering other similar or related
15 purposes.

16 (c) To provide sustainable economic development and affordable
17 housing.

1 (d) To protect the state's rich agricultural farmland, open spaces,
2 and sensitive habitat.

3 (e) To promote the reuse and recycling of previously developed
4 and passed over land in urban areas, with a focus on
5 environmentally distressed properties, or what are more commonly
6 known as brownfields.

7 (f) To reward projects that are consistent with regional and local
8 planning processes and accomplish any of the following:

9 (1) Improve mobility and reduce dependency on single-occupant
10 vehicle trips.

11 (2) Accommodate an adequate supply of housing for all income
12 levels.

13 (3) Reduce impacts on valuable habitat, productive farmland,
14 and air quality.

15 (4) Conserve resources such as energy and water.

16 (5) Revitalize existing neighborhoods.

17 SEC. 2. Section 53545.12 is added to the Health and Safety
18 Code, to read:

19 53545.12. (a) The Infill Incentive Grant Program of 2007 is
20 hereby established in state government, to be administered by the
21 Department of Housing and Community Development. For the
22 purposes of the grant program established under this section, the
23 following definitions apply:

24 (1) "Eligible applicant" means either, or a combination, of the
25 following:

26 (A) A nonprofit or for-profit developer of a qualifying infill
27 project.

28 (B) A city, county, city and county, or redevelopment agency
29 which has jurisdiction over a qualifying infill area.

30 (2) (A) "Qualifying infill project" means either of the following:

31 (i) A residential or mixed-use residential project located within
32 an urbanized area on a site that has been previously developed, or
33 on a vacant site where at least 75 percent of the perimeter of the
34 site adjoins parcels that are developed with urban uses.

35 (ii) An infrastructure project within a qualifying infill area. The
36 project may also include a residential or mixed-use residential
37 project within the qualifying area.

38 (B) A property is adjoining the side of a project site if the
39 property is separated from the project site only by an improved
40 public right-of-way.

(3) “Qualifying infill area” means a contiguous area located within an urbanized area (A) that has been previously developed, or where at least 75 percent of the perimeter of the area adjoins parcels that are developed with urban uses and (B) in which at least one development application has been approved for a residential or mixed-use residential project that meets the definition and criteria in this section for a qualified infill project.

(4) “Urbanized area” means an incorporated city or census designated place with a population density of at least 2,500 persons per square mile.

(5) “Urban uses” mean any residential, commercial, industrial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses.

(b) Upon appropriation of funds by the Legislature for the purpose of implementing paragraph (1) of subdivision (b) of Section 53545, the department shall establish and administer a competitive grant program to allocate those funds to selected qualifying infill projects for capital outlay related to infill housing development and related infill infrastructure needs that are an integral part of the infill housing development.

~~(c) The department shall award the grants on or before the end of the fiscal year in which funds are appropriated for the grant program.~~

~~(d)~~

(c) The department shall establish a reasonable deadline by which grant award recipients are required to encumber the grant awards. All funds unencumbered on or before the established deadline shall revert to the department for reallocation in a subsequent grant award funding cycle.

~~(e)~~

(d) Capital outlay related to infill housing or mixed-use development and other related infill infrastructure that may be funded under the grant program includes, but is not limited to, all of the following:

(1) Development, including construction and related planning and design.

(2) Project-specific creation, development, or rehabilitation of park or open space.

(3) Water, sewer, utilities, or other infrastructure related to a specific infill development project.

1 (4) Roads, parking structures, transit linkages, including, but
2 not limited to, plazas, pedestrian paths, and bus and transit shelters.

3 (5) Support for alternative transit modes, including, but not
4 limited to, walking, bicycling, and ride sharing.

5 (6) Transportation improvements other than those listed in
6 paragraphs (4) and (5) that are related to a specific infill
7 development project.

8 (7) Traffic mitigation.

9 (8) Demolition and site preparation.

10 (9) Sidewalks and streetscapes.

11 ~~(f)~~

12 (e) A qualifying infill project shall be located in a city, county,
13 or city and county, in which the general plan of the city, county,
14 or city and county, has an adopted housing element that has been
15 found by the department, pursuant to Section 65585 of the
16 Government Code, to be in compliance with the requirements of
17 Article 10.6 (commencing with Section 65580) of Chapter 3 of
18 Division 1 of Title 7 of the Government Code.

19 ~~(g)~~

20 (f) (1) A qualifying infill project shall include not less than 15
21 percent affordable units, as defined in paragraphs (4) and (5).

22 (2) For projects that contain both rental and ownership units,
23 units of either or both product types may be included in the
24 calculation of the affordability criteria.

25 (3) To the extent included in a project grant application, for the
26 purpose of calculating the percentage of affordable units, the
27 department shall consider the entire master development in which
28 the development seeking grant funding is included.

29 (4) For the purposes of this subdivision, “affordable unit” means
30 a unit that is made available at an affordable rent, as defined in
31 Section 50053, to a household earning no more than 60 percent of
32 the area median income or at an affordable housing cost, as defined
33 in Section 50052.5, to a household earning no more than 120
34 percent of the area median income. Rental units shall be subject
35 to a recorded covenant that ensures affordability for at least 55
36 years. Ownership units shall initially be sold to and occupied by
37 a qualified household and subject to a recorded covenant that
38 includes either a resale restriction for at least 30 years or equity
39 sharing upon resale.

(5) Notwithstanding paragraph (4), a qualifying infill project for which a Disposition and Development Agreement or other project-specific agreement between the project sponsor and the local agency having jurisdiction over the project has been executed on or before January 1, 2008, shall be deemed to meet the affordability requirement in paragraph (1), if the agreement requires that at least 15 percent of the units will be subject to affordability covenants.

~~(h)~~

(g) A qualifying infill project shall include average residential densities on the parcels to be developed that are equal to or greater than the densities described in subparagraph (B) of paragraph (3) of subdivision (c) of Section 65583.2 of the Government Code.

~~(i)~~

(h) A qualifying infill project shall be located in an area designated for mixed-use or residential development pursuant to one of the following adopted plans:

(1) A general plan.

(2) A project area redevelopment plan.

(3) A regional blueprint plan.

(4) A regional transportation plan.

(5) A capital improvement plan.

~~(j)~~

(i) In its review and ranking of applications for the award of grants, the department shall rank eligible infill projects based on the following priorities:

(1) The department's assessment of a project's readiness, which shall include all of the following:

(A) A demonstration that the project can complete environmental review and secure necessary entitlements from the local jurisdiction within a reasonable time period following the submittal of a project grant application.

(B) A demonstration that the project has sufficient funding commitments derived from sources other than the Housing and Emergency Shelter Trust Fund Act of 2006.

(C) A demonstration that the project has the necessary local support to achieve the proposed development or improvement.

(2) The extent to which the qualifying infill project exceeds the affordability threshold contained in subdivision ~~(g)~~ (f).

1 (3) The extent to which the qualifying infill project exceeds the
2 density thresholds contained in subdivision ~~(h)~~ (g).

3 (4) The project location's consistency with an adopted regional
4 blueprint plan or other adopted regional growth plan intended to
5 foster efficient land use.

6 (5) The extent to which the project includes elements designed
7 to achieve reductions in vehicle trips, emissions, or miles traveled,
8 based on the following criteria:

9 (A) Proximity and accessibility to a transit station or major
10 transit stop.

11 (B) Proximity and accessibility to retail and job centers.

12 (C) Components that support alternative transit modes,
13 including, but not limited to, walking, bicycling, and ride sharing.

14 (D) The availability of pedestrian friendly project features.

15 ~~(E)~~

16 (j) In allocating funds to projects pursuant to this section, the
17 department, to the maximum extent feasible, shall ensure a
18 reasonable geographic distribution of funds.

19 ~~(h)~~

20 (k) Funds awarded pursuant to this section shall supplement,
21 not supplant, other available funding.

22 ~~(m)~~

23 (l) The department shall adopt guidelines for the operation of
24 the grant program, and may administer the program under those
25 guidelines for 24 months after the date of adoption of the
26 guidelines, during which time the guidelines shall not be subject
27 to the requirements of Chapter 3.5 (commencing with Section
28 11340) of Division 3 of Title 2 of the Government Code.

29 ~~(n)~~

30 (m) For each fiscal year within the duration of the grant program,
31 the department shall include within the report to the Legislature,
32 required by Section 50408, information on its activities relating
33 to the grant program. The report shall include, but is not limited
34 to, the following information:

35 (1) A summary of the projects that received grants under the
36 program for each fiscal year that grants were awarded.

37 (2) The description, location, and estimated date of completion
38 for each project that received a grant award under the program.

1 (3) An update on the status of each project that received a grant
2 award under the program, and the number of housing units created
3 or facilitated by the program.

4 SEC. 3. Section 53545.14 is added to the Health and Safety
5 Code, to read:

6 53545.14. (a) For the purposes of allocating funds under this
7 section, the following definitions apply:

8 (1) "Authority" means the California Pollution Control
9 Financing Authority.

10 (2) "Brownfield site" has the same meaning as that term is
11 defined under Section 44504.1.

12 (3) "Eligible applicant" means either of the following:

13 (A) The developer of a qualifying infill project, as defined in
14 paragraph (2) of subdivision (a) of Section 53545.12.

15 (B) A city, county, city and county, or redevelopment agency
16 that has jurisdiction over a qualifying infill area, as defined in
17 paragraph (3) of subdivision (a) of Section 53545.12.

18 (4) "Eligible project" means the assessment, cleanup, or
19 remediation of a brownfield site that is proposed for development
20 as a qualifying infill project, as defined in paragraph (2) of
21 subdivision (a) of Section 53545.12.

22 (b) Upon appropriation of funds by the Legislature for the
23 purpose of implementing paragraph (2) of subdivision (b) of
24 Section 53545, the authority shall allocate those funds to qualifying
25 infill projects for the purposes of assessment, remedial planning
26 and reporting, technical assistance, cleanup or remediation of
27 brownfield sites, or related costs.

28 (c) In its review and rating of applications for funding under
29 this section, the authority shall give priority to applicants from
30 economically struggling communities, as defined in subdivision
31 (j) of Section 8090 of Title 4 of the California Code of Regulations.

32 (d) On or before April 1, 2008, and on or before April 1 of each
33 fiscal year covering the duration of allocation of funds under this
34 section, the authority shall provide a report to the Legislature on
35 its activities relating to the administration of this section. At a
36 minimum, the report shall include a summary of the projects that
37 receive funds under this section for each fiscal year funds are
38 awarded. The report shall include the description, location, and

- 1 estimation of completion for each project that receives funds under
- 2 this section.

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